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SUBJECT: MEDIA REACTION: IRAN, GREECE-EU, GREECE-EURO, UKRAINE,
START, SWIFT, AFGHANISTAN-GERMANY, SOUTH AFRICA, U.S.-BUDGET;BERLIN

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¶1. Lead Stories Summary

ZDF-TV's primetime newscast Heute opened with Colonel Klein's testimony to the Bundestag investigation committee on the September 4 airstrikes. ARD-TV's primetime newscast Tagesschau led with Foreign Minister Westerwelle's address to the Bundestag, highlighting that the German government now defines the situation in Afghanistan as an "armed conflict," which is an attempt to redefine the legal standard to be applied in reviewing actions by German soldiers. Most newspapers led with stories saying that the EU is considering helping Greece overcome its financial crisis. Berliner Zeitung and Tagesspiegel led with today's beginning of the Berlin film festival "Berlinale." Editorials focused on the EU's deliberations about helping Greece, the German debate about Afghanistan and the aftermath of the Constitutional Court's ruling on social benefits.

¶2. (Iran) Nuclear Program, Opposition

Berliner Zeitung (2/11) headlined: "Obama's change in the policy on Iran - U.S. government desires strict UN sanctions and imposes first punishments," noting in the intro: "The policy of reaching out is over. In the nuclear dispute with Iran, the U.S. is pushing for tougher UN sanctions if the regime of President Ahmadinejad sticks to producing higher-grade uranium."

Frankfurter Allgemeine (2/11) headlined "Obama threatens Tehran with new Sanctions," highlighting that "Obama said that a potential decision of the UN Security Council on a further tightening of existing international sanctions is only one aspect of it." The paper adds: "He did not mention details of potential additional bilateral sanctions. Obama said he is expecting a decision in the coming weeks. At the same time, Obama emphasized that the door is still open for Tehran to change its policy."

In an editorial, Frankfurter Allgemeine (2/11) noted: "An extended hand was the metaphor of 2009: President Obama is reaching out to the Muslim world, particularly Iran. Obama almost flattered the leadership in Tehran. When the first protests against the election fraud started last summer and the regime hit back, he showed restraint. This restraint approach was heavily criticized at home. However, it was worth a try. Today, Obama has to realize that nobody in Iran has taken his hand. His assessment that it is clear that Iran is working on a nuclear bomb is an admission of this failure. If the leadership in Iran believes that Obama would be an anti-Bush and responds only with niceties to the provocation, it will be mistaken. His patience has a limit. The topic of sanctions is now burning."

N-TV (2/11) reported "serious clashes in Iran" on the day of the 31st anniversary of the Iranian Revolution. Die Welt reported that "today's 31st anniversary of the revolution will demonstrate how powerful the opposition still is. Riots are feared.... Since the last large demonstration against the regime on December 26, the regime and the Revolutionary Guards have been showing strength and toughness. A probably deceptive peace hangs over the city." FT

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Deutschland (2/11) highlighted: "Iran detains opponents prior to the anniversary of the revolution," adding that: "New arrests are supposed to intimidate reformers."

13. (Greece Financial Crisis) Germany, France Rescue Efforts

All papers (2/11) carried extensive coverage of the crisis of the euro and Greece's financial problems. Frankfurter Allgemeine carried a front-page headline: "Brussels and Berlin Draft Rescue Plans for Greece." Sueddeutsche Zeitung headlined: "EU Will help Greece - If it Makes Greater Efforts to Make Savings." The headline in Die Welt is: "EU: Greece Must Intensify Savings Efforts," while Financial Times Deutschland headlined: "Europe Liable for Greece."

ARD-TV's late evening newscast Tagesthemen (2/10) commented: "Greece must pass through the vale of tears. There is no other way out. Even if Greece left the euro zone, the situation would not become easier. Nothing would convince the financial markets more than Greek efforts. Europe must insist on such Greek efforts, also because it would be a clear signal to the others.... For the German chancellor, this is a test. The Germans only reluctantly accepted the euro on the promise that the euro would become as stable as the D-mark. The guarantee for this promise is that the rules governing the euro are valid. If the chancellor allowed these rules to be changed, then she would have forfeited Germans' confidence [in the euro]."

Frankfurter Allgemeine (2/11) judged in a front-page editorial under the headline: "The Last Anchor," that "Germany is still hesitating, but pressure is mounting. The slogan of the European Commission is that Europe must help the Greeks. This slogan is strongly backed by French President Sarkozy. To put it differently: Germany must pay Greece's debts. But the euro was not sold to the Germans this way. Before the D-mark was abolished, the Maastricht Treaty was signed, and it explicitly bans a member state of the Monetary Union from being liable for the debt of another member country. If this central issue of finance policy stability is no longer valid, then the Maastricht Treaty, the Stability Pact and the debt ceiling in the German Basic Law are no longer valid the paper on which they were written. And then the Germans will want the D-mark back. At the EU summit in Brussels, Chancellor Merkel must demonstrate toughness to avoid the euro becoming weak."

In the view of Berliner Zeitung (2/11), "nerves lay bare. If Greece

goes bust, Portugal, Spain and Italy could follow. The loss of confidence in the euro might never be made up. The German government has realized this, too. All indications are that the Berlin government is willing to help the Greeks in a worst case scenario. We may argue that German taxpayers' money should not be used to help another country resolve the chaos which it has brought on itself. But Greece is not a foreign country, and a bankruptcy would be much more expensive than a rescue mission. If push comes to shove, Greece cannot be dropped, whatever the costs would be."

Tagesspiegel (2/11) argued: "At the EU summit, all members must send a signal to Greece that Athens can count on the solidarity of Europeans. One simple reason should be that hedge funds and investment banks would attack the weak countries. And these will be the banks for whose rescue the states threw themselves into the breach a year ago. But Germany in particular is opposed to a large-scale rescue operation. Indeed, solidarity of the other EU states with Greece should not be too strong because the austerity course of Greek Premier Papandreou could otherwise with leveled.... But whether the stability of the Euro can be preserved with such appeals is totally uncertain. This economic crisis has now reached the most important symbol of the Europeans: the common currency. They should defend it together."

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14. (Greece Financial Crisis) Long-term Prognosis for Euro

Sueddeutsche Zeitung (2/11) carried an editorial under the headline: "To Pay for Greece - To Do Nothing Would Be Nice but There is No Alternative: Europe Must Help." The daily noted: "The Europeans do not help Greece, at least not with money. If the partner states want to pursue this course, next summer could become hot. Highly indebted Greece has increasing difficulties getting money. But if the country goes bankrupt, and be it as small and insignificant [as Greece], European and probably U.S. bonds would collapse too, and banks and financial actors far away from Greece would go to the wall.... But with quick and unbureaucratic assistance, Greece would get a necessary breather in the capital markets. Such a rescue operation, however, is only marginally covered by European law, and the Europeans would then also risk the fate of the next candidates: Portugal, Ireland, and first of all Spain. That is why a potential rescue operation must have 'thorns,' and it must really legally incapacitate Greece. The pattern must be: Yes, the Europeans help, but the price for this assistance is gruesome. Those who are able to do so should help themselves. They should initiate the necessary structural reforms before Brussels forces them to do so."

Rheinische Post of Dsseldorf editorialized: "The crisis about Greece is taking on the shape of a banking crisis. If creditors no longer buy Greek bonds, the country is bankrupt. This is a real danger. And if the EU countries do not help in a concerted action, the Greeks are threatened with insolvency. Now a central flaw of the European Monetary Union is harshly coming to the fore because the treaty does not provide for the possibility of excluding a country from the euro zone because of its high indebtedness. At the same time, billions for Greece are a devastating signal for the stability of the euro.... The only positive aspect is the appointment of currency hawk Papademos as EU commissioner for Greece, because a tough austerity policy for the country under the supervision of the creditors is the minimum that the EU must demand from the Greeks."

Regional daily Der Neue Tag (2/11) judged: "Root of all evil is the mentality that has been raised by the governing political Karamanlis and Papanadreu families. Each sides is pampering its supporters with tax donations and positions in the government, Every fourth Greek works for the state, and the rest of the eleven million Greeks is exhausting itself by moonlighting, evading taxes and through nepotism.... Without verifiable efforts from Athens, the EU cannot offer any assistance. Other candidates for bankruptcy are only waiting for such a false signal."

15. (Ukraine) Aftermath of Elections

"Ukrainian Seesaw," headlined Sueddeutsche Zeitung, and judged:

"[The outcome of the elections] by no means signals that Ukraine will now turn to the East and turn away from the West because President-elect Yanukovich describes good relations with Moscow as the core piece of his foreign policy. This is exactly what the governments in Berlin, Paris, London, and the EU in Brussels have demanded for a long time because a conflict between the two largest former Soviet Republics could quickly have an effect on the supply of natural gas and crude oil to Europe. That is why Yanukovich's announcement should primarily clear the atmosphere between Moscow and Kiev. But we can hardly expect Yanukovich to get back under Russia's political umbrella: first of all, because Ukrainian industrial tycoons do not want to become dependent on Russian large companies, and because a self-confident Ukrainian patriotism has developed in the eastern parts of the country, primarily because the young generation considers Kiev, not Moscow, the capital. That is why Yanukovich will continue the seesaw course of his country between the West and the East. If he succeeds in doing so more rationally than his predecessor, he will strengthen the sovereignty

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of his country."

Frankfurter Allgemeine (2/11) opined under the headline: "False Signal," that "even three days after the end of the elections in Ukraine, Victor Yanukovich has not received congratulations from the West. This is the false signal to the new man in Kiev but also to election loser Timochenko. There are good reasons to be skeptical towards Yanukovich...but there is no reason to delay congratulations because the election was free and fair according to OSCE observers. The West should quickly make clear that he can count on western support if he sticks to democratic rules and implements his announcement that he wants to reform the economy and fight corruption. And loser Timochenko must be unmistakably clear that a change of power is an essential part of democracy that would it would probably not exist without her."

16. (U.S.-Russia) START Talks

"Russian Calculation Logic," Is the headline of an editorial in Sueddeutsche Zeitung (2/11), arguing that "a successful follow-on agreement to the expiring START treaty would be important not only because it would make the world safer... but also because it would be a document for regained confidence for the much lauded new beginning between East and West. But instead, a new beginning of the crisis is now looming. Fired by Vladimir Putin's gruff address in Vladivostok in December, Russia's military leadership is now linking the disarmament treaty with the U.S. missile defense system. And there is even more. Only recently, President Medvedev approved the new Russian military doctrine...which is based on old Soviet rhetoric and is at best a game among conservative strategists.... For the West, it does not play any role whether President Medvedev is less liberal than he pretends or whether the president is sometimes not the master of the situation. The current anti-NATO reflexes of the military leadership conspicuously coincide with Putin's inflammatory speech about the West. If the prime minister gains the upper hand and if Russia really demands that a limited anti-missile defense system be included in the agreement, it might collapse, and Medvedev would massively lose credibility and influence in the West."

17. (U.S.-EU) SWIFT

Die Zeit (2/11) carried an editorial under the headline: "Too Many Questions," and opined: "What a chance! With a 'no' to the SWIFT agreement, the European Parliament (EP) could demonstrate that it not only has power but also knows how to use it. The majority of parliamentarians do not reject the agreement in principle but many take data protection much more seriously than the majority of EU leaders. Even last summer, the members of the EP (MEPs) called for clear information on what is being done with banking data. Until the last moment, it remained unclear how citizens and companies could defend themselves if information on their financial activities are examined without reason. Another problem is the transfer of data to third states and even the question which information on deposits is transferred can still not be answered by the MEPS. The MEPS should rest only once they have all this information and now

they should vote 'no' on SWIFT to gain time. The agreement in the current version leaves too many questions open: A 'yes' would be irresponsible towards the voters."

18. (Afghanistan) German Role, Kunduz Air Strike

Deutschlandfunk radio (2/10) commented: "Is it still necessary to discuss what is going on in Afghanistan? Legal experts apparently have to do this. It is about the rights of soldiers. But how about politicians? They have been arguing about the words for months.... Our soldiers probably think they can't hear properly and shake their heads about the debate in the Bundestag... The situation in

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Afghanistan is so hopeless and inflexible that parliamentarians take refuge in political battles. Pillow fights about the new strategy, a date for withdrawal or the 'corridor for withdrawal,' which the Social Democrats so bureaucratically discuss. They are still hesitating but will probably pass the mandate in the end. The investigation committee is only about giving the popular defense minister a real roasting. Everything appears to be so helpless. The hope that the international mission can still create peace in the country is too small. No dispute among parties over words and persons can conceal this helplessness. Let's not deceive ourselves: there is a war going on in Afghanistan."

Frankfurter Allgemeine (2/11) editorialized: "During the presentation of the Afghanistan mandate, Foreign Minister Westerwelle assured us that the German government has carefully examined the situation. It now believes that the Bundeswehr mission in Afghanistan must be legally defined as 'an armed conflict in the sense of the international law.' It has been overdue to give the public a realistic assessment of the situation. Defense Minister zu Guttenberg was the first one to speak of 'war-like' circumstances shortly after he came to office. The airstrike in Kunduz commanded by Colonel Klein, which the defense committee is currently investigating, has also certainly contributed to the new view on the mission. What impact the government's redefinition of the mandate will actually have on the orders for the soldiers, their behavior and their legal responsibility remains unclear for the time being. The case in Kunduz could also be affected in retrospect."

Sddeutsche (2/11) commented: "The new legal assessment of the conflict in Afghanistan was overdue. It rightly makes politicians responsible for the mission. Soldiers should not be concerned over the legality of their activities. They should not have to consider the boundaries of the criminal law every time they make a minor decision. In the future, international law will set the framework, not the German criminal law. This does not mean that the soldiers are now allowed to shoot around like madmen. The new legal framework will provide German soldiers protection - because the Afghan situation cannot be met with the German police law. Those who must address an enemy combatant twice before they can fire a warning shot risk their lives. Changing the legal situation already increases security."

19. (South Africa) 20th Anniversary of Revolution

Die Welt (2/11) carried a front-page photo taken 20 years ago, showing Nelson Mandela and his wife after his release from 27 years in prison. The headline of the caption is "the great liberation," adding that "At the Cape of Good Hope, the wall between black and white fell. Apartheid, a system built upon the segregation, broke down." In an editorial, Die Welt remarked: "You don't get freedom for free. The great democracies of England, France and the U.S. achieved it in revolutions and civil wars. In some countries, freedom was the result of a lost war. Others, like the Indians and the East Germans fought for it with peaceful means. The case that an authoritarian ruler opens the window to freedom himself is very rare.... A freedom fighter can win everything and has little to lose. For those in power it is the other way around.... During the first free elections, de Klerk was voted out of office. He was probably fully aware of the fact that a completely new time was dawning that would leave nothing left of the old circumstances." In a lengthy feature, Die Welt stated: "On February 11, 1990, Nelson Mandela was released from prison. With that, a new epoch in South

Africa began. However, the fight for better living conditions for black people will go on for a long time."

Under the headline "The black wise man," Berliner Zeitung (2/11) carried a report on Nelson Mandela, saying that "as the president he united South Africa after the regime of the Apartheid." The report

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concluded: "Regardless all his achievements, the great reconciler made one mistake. He once admitted that he failed to realize the extent of the Aids epidemic." In an editorial, Berliner Zeitung stated: "What an incredibly happy moment it was today twenty years ago when Nelson Mandela walked out of the prison into the freedom at the side of his wife 20 years ago - on behalf for the black majority of the South Africans. Also white South Africans were liberated that day - from the foolish doctrine that they are better than others. Mandela's talent of reconciliation prevented an outbreak of violence and revenge. Black and white people realized that they could live together in one country. This is his achievement."

10. (U.S.) Budget Deficit

According to Handelsblatt (2/11), "America is groaning under its mega deficit of 1.6 trillion dollars in 2010. This gap increased within a year from 9.9 percent of the GNP to 11.2 percent of the economic output. Several states such as California are about to face insolvency, and this on a regular basis. The capital markets have been alarmed and fear that the creditworthiness of the biggest capital market in the world could be downgraded. With a strategy of faith healing and savings measures, the Obama government is now trying to get the situation under control. But it is faced with a dilemma. If it overdoes its savings measures, it will suffocate a recovering economy; if it saves too little, it will stir up the fear of creditors of losing its top rating among the rating agencies."

MURPHY